



## REQUEST FOR PROPOSALS

FOR A DEVELOPMENT OPPORTUNITY  
FOR A 39,400 SQUARE FOOT BUILDING IN THE  
NORTH PARK REDEVELOPMENT PROJECT AREA

April 15, 2009

Solicited by the  
REDEVELOPMENT AGENCY  
OF  
THE CITY OF SAN DIEGO

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## **EXECUTIVE SUMMARY**

### **Opportunity**

The Redevelopment Agency of the City of San Diego ("Agency") is soliciting proposals from qualified developers or development teams (herein "developers") for adaptive reuse of an approximately 39,400 square foot building at 3029 University Avenue within the North Park Redevelopment Project Area ("Project").

The Project is envisioned to meet environmental performance standards at the highest level of LEED™ certification that is economically feasible and to serve as a model for sustainable urban in-fill development. Creative and capable developers are invited to submit sufficient information regarding their proposed Project to enable the Agency to consider the selection of a developer for this important redevelopment opportunity.

The Agency envisions a Project which is skillfully woven into the neighborhood and provides desirable services and amenities that meet the current as well as the long-term needs of the adjacent community. The project should effectively advance the goals and objectives of the North Park Redevelopment Plan and the Greater North Park Community Plan as well as those of the City of San Diego General Plan which was adopted in March 2008 following an extensive public outreach process.

### **Location**

The .25 acre project site is currently developed with one, unoccupied, four-story (plus basement and partial 5<sup>th</sup> floor providing roof access) commercial structure, comprising approximately 39,400 square feet. It is located at 3029 University Avenue within the heart of the North Park community. The building opened in 1942 as one of only two new J.C Penney's stores opened during World War Two. This multi-leveled department store anchored the growing regional shopping district in North Park from the mid-1940s. The building is concrete-block construction with stucco and wooden exteriors. It has large display windows, central entrance doors, and simple details. It was most recently a Big Lots store, but was vacated in June 2008.

The property is not currently owned by the Agency. Assistance with acquisition of the property necessary for the implementation of the selected proposal would be considered by the Agency at the time a Disposition and Development Agreement with a developer is considered.

### **Schedule and Selection Process**

Responses are due at 5:00 p.m. on Monday, June 15, 2009. Respondents should prepare a comprehensive information package which describes the qualifications and relevant experience of the developer or development team, including information on each team member. The Agency will select a developer based on the combination of qualifications and financing capacity of the developer, the quality of the proposed Project, and the level of Agency assistance requested for development of the Project.

Following its review of all submittals, the Agency may invite selected teams to make oral presentations to present the details of their qualifications and proposed Project and to respond to questions. These presentations will provide an opportunity for teams to elaborate on the materials presented in their responses to the Request for Proposals ("RFP").

**This RPP is requesting a specific project proposal.** This request is for the financing, design, construction, and management of the Project.

## **PROJECT BACKGROUND**

The proposed Project is in the community of North Park: a community originally developed in the 1910's and 1920's and experiencing a dramatic rejuvenation as a desirable residential neighborhood of classic bungalow homes surrounding a commercial center featuring arts and entertainment.

The building is located at the corner of University Avenue and Ray Street, in the heart of the North Park arts district. The Property is not designated as an historic building, but is considered historically significant by local community groups and the North Park Historical Society.

The Property has been identified by the community as a potential site for a mixed-use development, with artist lofts on the top floor(s) and small scale retail/gallery space on the lower floors. Incorporation of "green" design features and designation as a LEED™ certified building are also important community goals. The Agency is open to consider all development proposals that are compatible with the character and scale of existing development in the vicinity.

A Phase I environmental site assessment has been prepared for the site and is part of a Developer's Package, available on the Redevelopment Agency website ([www.sandiego.gov/redevelopment-agency](http://www.sandiego.gov/redevelopment-agency)).

## **DEVELOPMENT GUIDELINES**

New development in the North Park community is regulated by the Mid-City Planned District Ordinance (MCPDO). This document is included in the Developer's Package that is available on the Agency website. To prepare a competitive proposal, respondents will have to meet or exceed the minimum development requirements specified for the area and the requirements of the MCPDO. Proposals that go beyond the specified minimum development program are encouraged.

The project site is zoned CN-1 (neighborhood commercial) which allows mixed use development, but requires retail/commercial uses at the street-level.

It is the Agency's desire that this project establish a high standard for civic architecture and design in North Park. The project must also complement the style and scale of surrounding commercial and residential environment, much of which dates to the 1920's.

If any housing is constructed on the property, it may be subject to Agency affordable housing requirements. Details of the Agency's affordable housing requirements are found within the North Park Redevelopment Plan. Information on the City of San Diego's Inclusionary Housing Program is included in the Developer's Package.

## **DEVELOPMENT APPROACH**

The requested information will enable the Agency to consider the selection of a developer with which to exclusively negotiate the redevelopment of this key site. The Agency Board will be the final approving authority in the selection of a developer.

In order to maximize the potential for developing a deal structure that provides the greatest benefit to the Agency, the Agency will consider sale or lease of the property, joint ventures, Agency participation, and/or a deferred return.

The property has no onsite parking. There may be the possibility to negotiate for assigned parking spaces located behind the Property with the owner of those spaces.

The site is also in close proximity to the 388 space North Park Parking Garage owned by the Agency and managed by Five Star Parking (at 30<sup>th</sup> Street and North Park Way). The Agency may be able to lease dedicated parking spaces to the developer to help meet parking requirements that may arise due to development of the site.

### **QUALIFICATION REQUIREMENTS**

The selected developer must demonstrate experience and resources needed to design and develop a successful, high-quality sustainable project. Prior experience with sustainable urban in-fill development, financing, construction, and knowledge of and experience with sustainable development incentive programs and resources will be critical elements in evaluating qualifications. Previous direct involvement in projects with a public agency and the ability to complete the project in a timely manner will also be important factors in considering the most qualified respondents.

The duties of the developer shall include:

- Overall responsibility for project performance including schedule and budget
- Coordination of all team members and government representatives
- Financial risk and legal responsibility
- Responsibility to obtain all required permits, entitlements, and City of San Diego approvals

The selected developer will need to meet all City of San Diego, Agency, and other applicable local, state, and federal requirements. The developer will be working primarily with Agency staff, but important review, advisory, or approval authority also rests with the North Park Redevelopment Project Area Committee, Greater North Park Community Planning Committee, North Park Main Street, and the City of San Diego City Council/ Redevelopment Agency Board.

A concise, professional, and complete response to this RFP will help the Agency identify the most qualified developer and will be indicative of the level of the developer's commitment to the Project.

### **SUBMITTAL REQUIREMENTS**

The response must include only the following information:

1. Developer or Development Team

Identification of the developer or development team, including any project architect(s), construction firms, or consultants who would be responsible for implementing the Project (include name of individual, firm address, and telephone number). Provide a very concise narrative addressing the availability of local resources, experience or capability to assure timely implementation of the proposed development.

If submitting as a development team, identify a single, responsible lead entity. The Agency will only enter into a contract with the lead entity and all other team members shall be considered subcontractors to the lead entity.

2. Statement of Qualifications

Completed "Developer's Statement of Qualifications and Financial Responsibility" (see Developer Package)

3. Developer or Development Team Experience

A list of projects similar in scope to the proposed Project described herein, completed by the developer or development team (including photographs). Include the type of project, project address, unit count by type and size of unit, completed value, lenders involved (with contact references), and construction/ completion dates. Identify projects developed in a redevelopment area and/or in partnership with a public agency.

4. Developer or Development Team References

A concise schedule listing the developer or development team references, including consultant references. Each member should include three professional references (lenders, investors, major accounts, etc.), with full names, relationship to the team member, address and telephone number. Provide a concise narrative identifying development team experience with projects in a redevelopment area, and/or in partnership with a public agency, and providing references for the projects.

5. Development Summary

Completed "Site Development Summary" (See Developer's Package), which summarizes the development proposed for the site, the projected sales prices or rents, proposed financing and development schedule, and identifies the proposed Agency assistance for development of the site

6. Development Concept

The following items must be submitted with the development proposals:

- A very concise narrative describing the development concept for the Site; description of the height, bulk and architectural design concept for the project, and the identification of any aspect of the project's design that does not meet any minimum development program specified in this RFP or the requirements of the MCPDO.
- A Site plan and two cross-sections of the project (no other drawings of the proposed project(s) may be submitted with the initial proposal)
- A context plan showing building rooflines, including adjacent blocks

7. Project Financing

A description of current and former relationships with lending institutions or other funding sources, and other information documenting the financial strength and financial qualifications of the proposed developer, that would contribute to the feasibility of the Project. Describe experience using New Market Tax Credits and/or other incentive programs or resources available for sustainable projects.

8. Equal Opportunity Strategy

A statement of the developer or development team's commitment to complying with the City of San Diego's Equal Opportunity Program.

### **SUBMITTAL FORMAT**

Response packages must be organized and tabbed consistent with the order of the submittal requirements outlined above. Submittals must consist of 8-1/2" x 11" sheets and 11" x 17" foldouts as necessary. Five (5) paper copies of the response package must be delivered no later than 5:00 p.m. local time on Monday, June 15, 2009 to the offices of the Redevelopment Agency. The Agency reserves the right to request additional information during the evaluation of responses and to reject any or all RFP responses.

## **SELECTION CRITERIA**

A selection committee may ultimately select and recommend a developer to the Agency Board for exclusive negotiations based on the following criteria: developer characteristics; financial resources and project financing; experience developing and constructing projects according to sustainable development principles with high-quality architecture, planning, and design; quality of the development concept, experience managing similar projects, and other pertinent factors.

The following is a guide to the criteria that will be used to evaluate developers and their development teams and proposals:

### **Proposal and Developer Characteristics**

- 1) Quality of information submitted in response to the RFP.
- 2) Evaluation of past projects and performance.
- 3) Experience of development team and identified individuals in developing projects in a redevelopment area and/or under public/private partnerships.
- 4) Experience of development team and identified individuals producing sustainable development projects.
- 4) Demonstrated commitment to comply with the City of San Diego Equal Opportunity Program.
- 5) Overall demonstration that developer is ready, willing and able to implement the Project.
- 6) Responses to the questions during oral presentations.

### **Financial Resources and Financing Strategy**

- 1) Demonstrated ability to secure project funding, including current relationships with major lenders and past funding experience with sustainable projects.
- 2) Ability to provide sufficient equity to satisfy conventional lender requirements and assure timely implementation and completion of the project.
- 3) Experience with financial incentive programs and resources available for sustainable development projects.
- 4) Experience in providing effective marketing, leasing, and property management of rental properties.

### **Project Planning/Design/Construction**

- 1) Demonstrated expertise in the areas of sustainable development, urban design, and construction of urban in-fill projects.
- 2) Demonstrated architectural and urban design experience on projects similar in quality and scale to the desired development.

### **Project Proposal**

- 1) Quality of the Development Concept and compatibility with the character and scale of existing development in the vicinity.
- 2) Integration of sustainable design features into the Development Concept.
- 3) The level of Agency assistance requested for development of the proposed Project.

## SELECTION PROCESS

A selection committee will review and evaluate the responses to the RFP. Agency staff and/or members of a selection committee may meet with any or all of the development teams, conduct site visits, and check references as appropriate.

The most qualified development teams may invited for oral presentations with a selection committee to present details of their qualifications and proposed Project and to respond to questions. The selection committee then may make a recommendation to the Agency Board for consideration to enter into an agreement. The Agency Board will be the final approving authority in the selection of a developer or development team.

If a developer selection is approved, the Agency and selected developer(s) will enter into an agreement which will require a developer deposit (approximately \$25,000 to \$30,000) to cover project related costs incurred by the Agency for legal, financial, and/or design services provided during the period of negotiations. The developer deposit will also serve as a good faith deposit to ensure developer's diligence in the implementation of the Project. The Agency reserves the right to reject any and all submitted proposals.

## SELECTION SCHEDULE

### Submittal Deadline

The submittals must be received **no later than 5:00 p.m., Monday, June 15, 2009**. To ensure fairness, **no submittals will be accepted after 5:00 p.m.** For those submittals that are not selected, only financial information will be returned. Faxes and electronic submittals will not be accepted. All responses shall be marked "North Park 3029 University Avenue RFP Response" on the outside of the submittal and addressed to:

Redevelopment Agency of the City of San Diego  
1200 Third Avenue, Suite 1400, MS 56D  
San Diego, CA 92101-4110  
Attention: Michael Lengyel

Submittals shall be signed by individuals authorized to bind the developer firm or development team to all terms and conditions of the submittal. All submittals shall provide the name, title, address, and telephone number and email address of the individuals with authority to contractually bind the developer or development team, and the person who may be contacted by the Agency during the evaluation process and selection process.

### Schedule

The selection schedule will be tentatively as follows:

RFP Pre-submission conference	Week of May 4, 2009
Responses due	June 15, 2009
Respondent Reviews/Oral Presentations	July 2009
Recommendation for Selection	August 2009

Questions regarding this RFP or any of the accompanying information provided must be submitted via electronic mail to [mlengyel@sandiego.gov](mailto:mlengyel@sandiego.gov) no later than June 8, 2009. The



subject line for questions should be limited to: Questions - North Park 3029 University Avenue RFP. Verbal inquiries will only be accepted at the pre-submission conference. Respondents to this RFP are cautioned NOT to contact elected officials regarding the selection process. Inappropriate efforts to lobby or influence individuals or organizations involved in this selection may result, at the Agency's sole discretion, in dismissal from further considerations.

**Interested respondents are encouraged to attend the RFP pre-submission conference scheduled for the week of May 4, 2009. The date, time and location will be noticed on the Agency's website. Interested respondents are also strongly encouraged to review the Agency's website periodically as any addenda issued by the Agency in relation to this RFP will ONLY be posted on the Agency's website.**

### **Expenses**

The developer or developer team shall be responsible for all expenses incurred during the solicitation and negotiation process with the Agency. This Request for Proposals does not and shall not commit the Agency to enter into any agreement, to pay any costs incurred in preparation of the submittals, or to procure or contract for services or supplies. The Agency shall not incur any liability arising from the RFP process.

The Agency reserves the right to amend this RFP. All amendments shall be posted on the Agency's website.

### **DEVELOPER PACKAGE**

Interested developers or development teams are encouraged to explore this potential redevelopment opportunity by reviewing the following documents in the Developer Package, which is available on the Agency's website at [www.sandiego.gov/redevelopment-agency](http://www.sandiego.gov/redevelopment-agency).

- 1) North Park Redevelopment Plan
- 2) Greater North Park Community Plan
- 3) North Park Redevelopment Project Area Third Five-Year Implementation Plan
- 4) Mid-City Planned District Ordinance (MCPDO)
- 5) Council Policy 900-14: Sustainable Building Policy
- 6) Information Bulletin 538: Expedite Program for Affordable/In-Fill Housing and Sustainable Buildings
- 7) Information on the City of San Diego's Inclusionary Housing Program
- 8) Phase I Environmental Site Assessment
- 9) Developer's Statement of Qualifications and Financial Responsibility
- 10) Site Development Summary

### **OTHER TERMS AND CONDITIONS**

1. The Agency reserves the right to amend this Request for Proposals by addendum prior to the final due date of the submittals.
2. The Agency reserves the right to modify aspects of the selection process, and to waive any defects of form or content in responses.
3. The Agency reserves the right to accept or reject any and all responses received as a result of this RFP, and to cancel in part or entirely the RFP. If all responses are rejected, the Agency may seek further proposals at a later time.

4. All reports, responses, or other data or materials, which are submitted, shall become the sole property of the Agency and a matter of public record. However, to the extent permitted by law, all submittals will not be made public nor considered a public record until after the Redevelopment Agency Board takes action to enter into an agreement with the selected developer/team.

However, statements of financial capacity will be returned to all respondents, except for the selected Respondent, after award. Respondents must identify all copyrighted material, trade secrets, or other proprietary information that they claim are exempt from disclosure under the California Public Records Act (California Government Code sections 6250 et. seq.). In the event a Respondent claims such an exemption, the following statement must be included in the response:

“The Respondent shall indemnify the Agency and hold it harmless from any claim, damage, loss, liability cost or expense and defend any action brought against the Agency for Agency’s refusal to disclose materials marked “confidential”, trade secrets or other proprietary information to any person making a request therefore.”

Failure to include such a statement shall constitute a waiver of the Respondent’s right to exemption from disclosure and authority for the Agency to provide a copy of the submittals or any part thereof to the requester.

5. All products used or developed in the execution of any contract resulting from this RFP shall remain in the public domain at the completion of this Project.

6. This RFP is not, and shall not be construed to be an offer, but is merely a Request for Proposals.

7. There is no obligation to enter any binding legal document until final approval by the Redevelopment Agency Board is received.

8. The firm selected will be required to provide evidence of public liability and property damage insurance with limits of not less than \$5 million dollars for injury to, or death of, persons and/or property damage arising out of a single accident or occurrence, insuring against all liability the City of San Diego, the Redevelopment Agency of the City of San Diego, their agents, officers, and employees, arising out of, or in connection with, the performance of work under the contract with the Agency. In addition, the firm selected will be required to provide evidence of automobile insurance and Workers’ Compensation Insurance. The insurance shall be provided at the sole cost and expense of the firm selected, unless the requirement is modified or waived by the Agency.

14. Individuals, contractors, vendors, consultants, grantees, lessees, and banks contracting with the Agency must comply with the City of San Diego’s Equal Opportunity Outreach Program.

The firm selected, and each of its subcontractors, shall comply with Title VII of the Civil Rights Act of 1964, as amended; Executive Orders 11246, 11375, and 12086; the California Fair Employment Practices Act; San Diego Municipal Code sections 22.2701 through 22.2707, and any other applicable federal and state laws and regulations hereinafter enacted. The selected firm shall not discriminate against any employee or applicant for employment based on race, religion, color, ancestry, age gender, sexual orientation, medical condition, or place of birth. The selected firm shall cause the above provisions to be inserted in all subcontracts for any work covered by the contract so that such provisions will be binding upon each subcontractor, if used.

9. The firm chosen must agree to comply with the Agency's Drug Free Workplace requirements set forth in Council Policy 100-17, adopted by Council Resolution No. R-277952. Respondent shall certify to the Agency that it will provide a drug-free workplace.

10. In addition to the foregoing, every person or organization awarded a contract by the Agency or the City of San Diego must acknowledge and agree to comply with Council Policy 100-04, adopted by Resolution No. R-282153, relating to the federally mandated Americans with Disabilities Act (ADA). Consultant will be individually responsible for its own ADA program.

## ATTACHMENT 1 - SITE MAP

3029 University Avenue  
San Diego, CA 92101

